

United States Postal Service

§ 273.2

result in dismissal from the Postal Service.

[40 FR 45726, Oct. 2, 1975]

PART 273—ADMINISTRATION OF PROGRAM FRAUD CIVIL REM- EDIES ACT

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AUTHORITY: 31 U.S.C. Chapter 38; 39 U.S.C.
401.

SOURCE: 52 FR 12901, Apr. 20, 1987, unless
otherwise noted.

§ 273.1 Purpose.

This part establishes procedures for imposing civil penalties and assessments under the Program Fraud Civil Remedies Act of 1986 (codified at 31 U.S.C. 3801-3812) against any person who makes, submits, or presents, or causes to be made, submitted, or presented, a false fictitious, or fraudulent claim or written statement to the Postal Service. Procedures governing the hearing and appeal rights of any person alleged to be liable for such penalties and assessments are set forth in part 962 of this title.

§ 273.2 Definitions.

(a) *Claim* means any request, demand, or submission:

(1) Made to the Postal Service for property, services, or money (including money representing grants, loans, insurance, or benefits); or

(2) Made to a recipient of property, services, or money from the Postal Service or to a party to a contract with the Postal Service:

(i) For property or services if the United States:

(A) Provided such property or serv-
ices;

(B) Provided any portion of the funds for the purchase of such property or services; or

(C) will reimburse such recipient or party for the purchase of such property or services; or

(ii) For the payment of money (in-
cluding money representing grants,
loans, insurance or benefits) if the
United States:

(A) Provided any portion of the
money requested or demanded; or

(B) Will reimburse such recipient or
party for any portion of the money
paid on such request or demand; or

(3) Made to the Postal Service which
has the effect of decreasing an obliga-
tion to pay or account for property,
services, or money.

(b) *Complaint* refers to the adminis-
trative Complaint served by the Re-
viewing Official on a Respondent pur-
suant to § 273.8.

(c) *Investigating Official* refers to the
Inspector General of the Postal Service
or any designee within the United
States Office of the Inspector General
who serves in a position for which the
rate of basic pay is not less than the
minimum rate of basic pay for grade
GS-15 under the General Schedule.

(d) *Judicial Officer* refers to the Judi-
cial Officer or Acting Judicial Officer
of the United States Postal Service or
for purposes other than specified in
§ 962.21 of this title any designee within
the Judicial Officer Department.

(e) *Knows or has reason to know*, for
purposes of establishing liability under
31 U.S.C. 3802, means that, with respect
to a claim or statement, although no
proof of specific intent to defraud is re-
quired, a person:

(1) Has actual knowledge that the
claim or statement is false, fictitious,
or fraudulent;

(2) Acts in deliberate ignorance of the
truth or falsity of the claim or state-
ment; or

(3) Acts in reckless disregard of the
truth or falsity of the claim or state-
ment.

(f) *Person* refers to any individual,
partnership, corporation, association,
or private organization.

(g) *Postmaster General* refers to the
Postmaster General of the United
States or his designee.

(h) *Presiding Officer* refers to an Administrative Law Judge designated by the Judicial Officer to conduct a hearing authorized by 31 U.S.C. 3803 in accordance with Part 962 of this title.

(i) *Respondent* refers to any person alleged to be liable for civil penalty or assessment under 31 U.S.C. 3802.

(j) *Reviewing Official* refers to the General Counsel of the Postal Service or any designee within the Law Department who serves in a position for which the rate of basic pay is not less than the minimum rate of basic pay for grade GS-16 under the General Schedule.

(k) *Statement* means any representation, certification, affirmation, document, record, or accounting or book-keeping entry made:

(1) With respect to a claim or to obtain the approval or payment of a claim (including relating to eligibility to make a claim); or

(2) With respect to (including relating to eligibility for)—

(i) A contract with, or a bid or proposal for a contract with; or

(ii) A grant, loan, or benefit from, the Postal Service, or any State, political subdivision of a State, or other party, if the United States Government provides any portion of the money or property under such contract or for such grant, loan, or benefit, or if the Government will reimburse such State, political subdivision, or party for any portion of the money or property under such contract or for such grant, loan or benefit.

[52 FR 12901, Apr. 20, 1987, as amended at 56 FR 55825, Oct. 30, 1991; 67 FR 16024, Apr. 4, 2002; 72 FR 39012, July 17, 2007]

§ 273.3 Liability for false claims and statements.

Section 3802 of title 31, United States Code, provides for liability as follows:

(a) *Claims.* (1) Any person who makes, presents, or submits, or causes to be made, presented, or submitted, a claim that the person knows or has reason to know—

(i) Is false, fictitious, or fraudulent; or

(ii) Includes or is supported by any written statement asserting a material fact which is false, fictitious, or fraudulent; or

(iii) Includes or is supported by any written statement that—

(A) Omits a material fact;

(B) Is false, fictitious, or fraudulent as a result of such omission; and

(C) Is a statement in which the person making, presenting, or submitting such statement has a duty to include such material fact; or

(iv) Is for payment for the provision of property or services which the person has not provided as claimed

Shall be subject to, in addition to any other remedy that may be prescribed by law, a civil penalty of not more than \$5,500 for each such claim.

(2) Each voucher, invoice, claim form, or other individual request or demand for property, services, or money constitutes a separate claim.

(3) A claim shall be considered made, presented, or submitted to the Postal Service, recipient, or party when such claim is actually made to an agent, fiscal intermediary, or other entity, including any State or political subdivision thereof, acting for or on behalf of the Postal Service, recipient, or party.

(4) Each claim for property, services, or money is subject to the civil penalty referred to in paragraph (a)(1) of this section regardless of whether such property, service, or money is actually delivered or paid.

(5) If the Government has made payment on a claim, a person subject to the civil penalty referred to in paragraph (a)(1) of this section shall also be subject to an assessment of not more than twice the amount of such claim or twice the amount of that portion thereof that is determined to be in violation of paragraph (a)(1) of this section. This assessment shall be in lieu of damages sustained by the United States because of such claim.

(b) *Statements.* (1) Any person who makes, presents, or submits, or causes to be made, presented, or submitted, a written statement that—

(i) The person knows or has reason to know—

(A) Asserts a material fact which is false, fictitious, or fraudulent; or

(B) Is false, fictitious, or fraudulent because it omits a material fact that the person making, presenting or submitting such statement had a duty to include in such statement; and